This report covers the practising year

April 1st, 1991 to March 31st, 1992

92-07393/

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BENCHERS

Officers

(Appointed May, 1991)

President: Donald M. Little
Vice-President: Barbara M. Hamilton, Q.C.
Past President: Colin R. MacArthur, Q.C.

Benchers elected for a two year term on May 2, 1990

Winnipeg Electoral District:	Douglas N. Abra	Bruce H. Miller, Q.C.
	Laurie P. Allen	Marc M. Monnin
	Norman A. Cuddy	M. Alexandra Morton, Q.C.
	Richard K. Deeley	Brian A. Pauls
	Robert A. Dewar, Q.C.	Robert L. Pollack
	Jeffrey Gindin	Richard G.S. Shead
	Barbara M. Hamilton, Q.C.	P. Colleen Suche, Q.C.
	Bryan D. Klein	J.F. Reeh Taylor, Q.C.
	Heather S. Leonoff (1)	Douglas G. Ward
	D'Arcy C.H. McCaffrey, Q.C.	Gavin M. Wood
	(1) appointed to fill vacancy of C. MacArthur, Q.C.	
Eastern Electoral District:	Gerald C. Hawranik	John E. Neufeld
Central Electoral District:	Gary R. Gilmour	Brock G. Lee, Q.C.
Western Electoral District:	John H. Combs	Lawrence R. McInnes
	Jasdev S. Grewal	Norman H. Sims
	Donald M. Little	
Dauphin Electoral District:	Eric B. Irwin	John A. Menzies
Northern Electoral District:	Lore M. Mirwaldt	Robert W. Morrison
Lay Benchers:	Anita Neville	James Toal
	William Shead	Val Werier
	(retired May 31, 1991)	
	Alan Beachell	Al M. Moore
	Jae Eadie	Dr. Claudia Wright
	(appointed for a two year term commencing June, 1991)	
Faculty Benchers:	Dean Roland Penner, Q.C.	Professor David Deutscher
	(appointed for a two year term)	
University Bencher:	Marnie Munro	
	(elected for a one year term ending May, 1992)	
Bar Admission Student Bencher:	Robert Tropak	
	(elected for a one year term ending September, 1992)	

Life Benchers

Winnipeg Electoral District:	Judge F.D. Allen	C.R. MacArthur, Q.C.
	R. Anderson	A.D. MacInnes, Q.C.
	D.G. Baizley, Q.C.	H.B. Monk, Q.C.
	G.G. Brodsky, Q.C.	Hon P.S. Morse
	H. Buchwald, Q.C.	E.W. Olson, Q.C.
	A.L. Campbell, Q.C.	C. Pappas, Q.C.
	J.M. Chapman, Q.C.	A.A. Rich, Q.C.
	J.G.B. Dangerfield, Q.C.	P.W. Schulman, Q.C.
	Hon R.G.B. Dickson	J.M. Scurfield, Q.C.
	I. Dorfman, Q.C.	Hon R.J. Scott
	K.B. Foster, Q.C.	Hon V. Simonsen
	D.G. Frayer, Q.C.	A. Sweatman, Q.C.
	M.H. Freedman, Q.C.	D.A. Thompson, Q.C.
	Hon G.R. Goodman	H. Walsh, Q.C.
	Judge J.P. Guy	H. Weinstein, Q.C.
	G.T. Haig, Q.C.	
Central Electoral District:	Hon J.A. Duncan	C.P. Sing
Western Electoral District:	F.O. Meighen, Q.C.	D.D. St. John, Q.C.

Ex-Officio Benchers

Hon. Kim Campbell — Hon. James McCrae

Law Society Staff

Chief Executive Officer - Deborah J. McCawley, Q.C.
Deputy Chief Executive Officer - Donald B. Macri
Counsel - Jannine M. LeMere (resigned March 28, 1991)
Counsel - Paul Anderson (from May 6, 1991)
Discipline Administrator - Dianna J. Scarth
Director of Professional Education - Freda Steel
Assistant Director of Professional Education - Eve Finnbogason
Assistant Discipline Administrator - Debra Poskar
Publications Editor - Ellen Henry and Avis Raber
Publications Editor - Brenda Silver (from May 1991, while Avis Raber on maternity leave)
Comptroller - Ryan Sasaki
Auditor-Inspector - Gordon Jones (retired July 31, 1991)
Auditor-Inspector - Catherine Cronin, C.A. (from Nov. 4, 1991)
Auditor-Inspector - John McFarlane, C.A.
Auditor-Inspectors - Nancy Zacharias (from Mar. 9, 1992)
and Sherri Jack (from Mar. 31, 1992)(part time term positions)
Paralegal - Beverley Messel
Secretary to the Benchers - Coleen Liewicki
Legal Studies Registrar/Secretary - Anna Faulkes
Secretary - Rebecca de Castro
Secretary - Lynn Flynn
Secretary - Hazel McKague
Secretary - Pat Stepanuik
Secretary - Jennifer Tribula
Secretary - Ellie Turner
Secretary - Patricia Wright
Receptionist - Lorraine Hagen
Clerical Assistant - Dana Earley (from April 3, 1991)

MEMBERSHIP

Seventeen hundred certificates were issued for the practising year ending March 31, 1992.

The active membership as of March 31, 1992, stood as follows:

In Metropolitan Winnipeg, practising members	1382
In Manitoba, other than Metropolitan Winnipeg	216
Outside Manitoba, members holding practising certificates	67
	1665

Members paying the special non-practising fee:

In Metropolitan Winnipeg	126
In Manitoba, other than Metropolitan Winnipeg	16
Outside Manitoba	145
	287

The number of practising members in Manitoba as of the 31st of December in each year shown below was as follows:

1932 - 603	1974 - 837	1984 - 1,336
1950 - 551	1975 - 910	1985 - 1,387
1955 - 636	1976 - 967	1986 - 1,483
1965 - 683	1977 - 1,105	1987 - 1,526
1966 - 702	1978 - 1,083	1988 - 1,548
1968 - 704	1979 - 1,169	1989 - 1,609
1970 - 723	1980 - 1,213	1990 - 1,635
1971 - 746	1981 - 1,252	1991 - 1,680
1972 - 776	1982 - 1,282	1992 - 1,665
1973 - 795	1983 - 1,304	

In addition to members paying annual fees there are many who are not in active practice whose names remain on the Rolls. Some hold judicial appointments or official positions, some are in other professions or businesses, many are practising in other Provinces and others have retired.

The following were granted permission by the Law Society of Manitoba to appear before the Courts in Manitoba on an occasional appearance:

Patrick G. Alberts
Douglas H. Christie
John F. Howard
Alistair B. Johnston
Robert G. Kennedy
Brian E. Leroy
Alan T. Logue
Leslie J. Mackoff
Jack R. MacLeod
Robert D. Minnes
David R. Paterson
Laurence A. Pattillo
Paul B. Schabas
Dennis K. Yasui

The following members were called to the Bar and admitted as solicitors during the period under review:

Marla N. Altman
Scott W. Armstrong
Noelia Bernardo
Ian F. Blomeley
Brian A. Blumenthal
Theodor E. Bock
Stephen S. Bondar
David M. Bradley
Jeffrey L. Brown
Hamish A. Carr
Michel L.J. Chartier
Stephen P. Conarroe
James A. Cox
Darrin R. Davis
Karen L. Dawson
Robert D.J. Dawson
Gary P. Dolovich
Eva Dragun
Steven D. Dvorak
Nancy D. Eichkorn
Michael F. Elliott
Rowena R. Fisher
Patrick D. Fitzpatrick
Jayne A. Foshang
Richard S. Fulham
Wanda M. Garreck
Colleen A. Geary
David B. Greening
Donna E. Hill
Robert I. Histed
Peter A. Hryniuk
Kristian J. Janovcik
Maureen E. Jay-Goldman
Cheryl M. Klassen
Alexander J. Kocsis
Loretta A.M. Kocsis
Randall J. Komishon
Robert M. Kozak
Annie Krahn
Timothy A. Kurbis
Alain L.J. Laurencelle
Lori A. Lavoie
Christopher R. McCoy
Michael A. Mahon
Robert P. Maertens
Eric B. Martens
Roberta A. Miller
Leah C. Mitchell
Tracy L. Morrow
Samantha A. Mutchmor
Marla D. Murphy
John A. Myers
Robert W. Nawolsky
Audrey J. Penner
Holly D. Penner
Rita M. Richardson
Marnie B. Rusen
Karen R. Schaen
John D. Schioler
Ronald Schmalcel
Edmund G.A. Schollenberg
Richard J. Sedgwick
Jacqueline M. Sedor
Linda C. Simonsen
Constance I. Smith
Robert M. Smith
Norman K. Snyder*
Diane H. Stevenson
Clayton H. Stewart
James A.T. Struthers*
Andrew J. Swan
Leonard J.W. Tailleur
Lyndon B. Thiessen
Helga D. Van Iderstine
David A. Violago
Robert D. Ward
Daron O. Werthman
Margaret I. Wiebe
Scheel Zaman

* denotes transfer from another province

The Benchers record with regret the death of the following members during the period under review:

Raymond K. Adams
Morton L. Allison
David A. Balfour, Q.C.
Wilbur G. Boyd, Q.C.
Dorothy A. Easton
Leifur J. Hallgrimson, Q.C.
Thomas P. Hillhouse
Kenneth G. Houston, Q.C.
Maria M. Lang
Daniel G. Levenick
Joseph K. McLaughlin
Ross W. McMurray
Orest Stratychuk
Murray H. Tapper
William G. Webster
Peter W.A. Westbury

During the year under review the following barristers were appointed Queen's Counsel:

Alan Adams
Warren Barber
Robert Dewar
Raymond Flett
Sylvia Guertin
Barry Krawchuk
Louise Lamb
Michael Sinclair
Victor Toews
Samuel Wilder

Appointed Queen's Counsel by the Federal Minister of Justice:

Robert Gabor

SOCIETY'S COMMITTEES

At their meeting of May 30, 1991, the Benchers established the following committee memberships to serve the Society until May, 1992.

Note: The President and Vice-President are ex-officio members of all committees except the Judicial Committee.

Executive and Finance

Little (Chairperson)
Hamilton (Vice-Chairperson)
Abra
Combs
Deeley
Dewar
MacArthur
McCaffrey
Monnin
Moore
Neufeld
Wood

Discipline

Deeley (Chairperson)
Allen (Vice-Chairperson)
Combs
Cuddy
Deutscher
Hamilton
Hawranik
Irwin
Lee
Little
Miller
Moore
Morton
Wright

Standards

Monnin (Chairperson)
Leonoff (Vice-Chairperson)
Beachell
Bedford*
Crane*
Christianson*
Eadie
Gilmour
Hamilton
Little
Plett*
Suche
Teffaine*

Admissions and Education

Neufeld (Chairperson)
Morton (Vice-Chairperson)
Allen
Deutscher
Klein
Hamilton
Little
Menzies
Munro
Pauls
Penner
Tropak
Wright

Judicial

McCaffrey (Chairperson)
Wood (Vice-Chairperson)
Anderson, R.
Brodsky
Buchwald
Campbell
Chapman
Dangerfield
Foster
Frayer
Haig
MacArthur
McInnes, L.
Menzies
Mirwaldt
Morrison
Pappas
Pauls
Rich
St. John
Schulman
Scurfield
Sims
Sing
Sweatman
Taylor
Ward
Weinstein

Professional Liability Claims Fund

Dewar (Chairperson)
Suche (Vice-Chairperson)
Abra
French*
Graham*
Hamilton
Hawranik
Little
Ward

Personnel & Fiscal Management

Combs (Chairperson)
Dewar
Eadie
Hamilton
Klein
Lee
Little
Mirwaldt

Constitution

Abra (Chairperson)
Miller (Vice-Chairperson)
Adams*
Beachell
Collins*
Hamilton
Leonoff
Little
McKennit*
Monnin
Shead
Wiebe*

Public Relations

Wood (Chairperson)
Eadie
Grewal
Hamilton
Irwin
Little
Ward

Reimbursement Claims Fund

Chapman (Chairperson)
Anderson, T.*
Foster
Gordon*
McCaffrey
Scurfield

Guercio Reimbursement Claims

Scurfield (Chairperson)
Neufeld
Weinstein

Legal Data Resources (Manitoba) Corporation Board - Appointees

Cherniack*
Coke*
Gillespie*
Neufeld
Shead, R.

Special Committee - Integration of French Language - Appointees

Mr. Justice Michel Monnin

Graeme Garson Fund

Penner
Shead, R.
Tropak

Special Committee - Custodianships

Sweatman (Chairperson)
Crane*
Glowacki*
Leslie*
Ward

Special Committee - Prepaid Legal Services Plans

MacArthur (Chairperson)
Dewar
Little
McCaffrey

* denotes non-bencher

Special Committee - Judicial Committee Hearings

Dewar (Chairperson)
Foster
Lee
Little
Menzies
Neville
Wood

Special Committee - Discipline and Standards Procedures

MacInnes (Co-Chairperson)
Weinstein (Co-Chairperson)
Allen
Christianson*
Combs
Neville

Library Users

Leonoff (Co-Chairperson)
Pollack (Co-Chairperson)

Legal Aid Liaison

Gindin (Co-Chairperson)
Pollack (Co-Chairperson)

Manitoba Law School Foundation - Appointees

Klein (Chairperson)
McCawley (Secretary/Treasurer)
Chapman

Manitoba Law Foundation - Appointees

Olson (1)
Suche (2)
Taylor
Wilder

(1) resigned February, 1992
(2) appointed to replace W. Olson, Q.C.

Canadian Lawyers Insurance Association

Abra

Executive and Finance Committee

Donald M. Little
Chairperson

The Executive and Finance Committee has general supervision and charge of all business of the Society and has primary responsibility to manage the finances of the Society including the investment and expenditures of its funds.

This year's membership assessment was the largest assessment that our membership has ever been called upon to pay. This decision was made doubly difficult for the executive by reason of the recession and the general decline in lawyer incomes.

Nonetheless, the annual fee for practising law in Manitoba, including insurance and reimbursement levies, remains one of the lowest in the country.

The past year has seen the completion of the building renovations, the appointment of four new lay benchers, and at the time of writing this report, legislation is pending before the House which will provide for open Judicial Committee hearings.

The Society, in the past year, has had to deal with proposed reductions in government funding commitments to libraries and Legal Aid. These negotiations remain ongoing.

The Society has also received notification from the Manitoba Law Foundation that the dollar amount of its grant in the coming fiscal year will be less than the statutory minimum provided for by legislation. This is due to the decline in interest generated on lawyer's trust accounts, both as a result of less commercial activity and reduced interest rates. This will have a direct impact on the Society's Legal Studies budget.

As a result of increases to insurance premiums in this past year and increased costs in dealing with Standards and Discipline complaints, the Society will, at its committee levels, be considering the rating of insurance premiums and the recovery of costs from members involved in Judicial, Standards and Discipline proceedings.

The past year also saw formation of the Guercio Reimbursement Claims Fund Committee, resulting from an alleged defalcation of trust funds in amounts far greater than the Society has ever been called upon in the past to deal with. The Guercio Reimbursement Claims Fund Committee sought passage of a resolution at the Special Benchers Meeting of March 5, 1992 for the purpose of initiating procedures to expedite the processing of claims made by the public against the Reimbursement Fund. Further policy considerations in respect of the Reimbursement Fund remain to be debated and decided by the Bench.

While the challenges of the past year have been significant, those that await the Society in the coming years are enormous.

Government has less money. Funds available from the Manitoba Law Foundation have declined. The Society's members face declining incomes and reduced ability to pay.

On the other hand, the public continues to expect more from lawyers. Lawyers continue to expect more from lawyers. Balancing the effective discharge of our mandate, with the costs associated therewith, has been and will remain a constant challenge for your governing body.

I expect, in the coming year, decisions may be made by government with respect to Legal Aid funding, and by our Bench with respect to matters of policy involving the Reimbursement Claims Fund's operation now and in the future. It is my sincere hope that these issues will not result in greater division within the profession. We are members of the same Society. We must think first and foremost of the public and our responsibilities to them. When we look to ourselves, we must first and foremost recognize the commonality of purpose and interests which unite us as a profession. I hope we will.

Discipline Committee

Richard K. Deeley
Chairperson

The Discipline Committee considered 670 matters during the 34 meetings which it held between April 1, 1991, and March 31, 1992. In addition to reviewing 459 complaints, the committee also considered: 32 requests for practice directions; 25 spot audit reports; 25 requests for extensions for filing the Solicitors' Annual Form D Report; 18 members failing to file their Annual Solicitors' Report within the prescribed time period; 17 members in breach of the Society's accounting rules; 16 requests for waiver of penalties pertaining to the Annual Solicitors' Report; 14 matters pertaining to various members bankruptcies; 6 members failing to respond to the Society's 14 day letters; 4 members breaching their undertakings to the Discipline Committee; 3 members failing to pay their late penalties respecting practising fees; and 3 members' requests to be relieved of conditions which were imposed upon their practice during their bankruptcy.

A total of 235 complaints appeared on the "A" Agenda. The concerns most often expressed in the complaints reviewed on Agenda "A" were:

- excessive fees (52 allegations); delay (27 allegations); negligence (27 allegations); lack of communication (25 allegations); conflict of interest (19 allegations); breach of trust conditions (15 allegations); failure to pay accounts (6 allegations); failure to provide client with an itemized statement of account (4 allegations); breach of court order (2 allegations); and failure to attend court (2 allegations).

Of the 224 complaints which were received on the "B" Agenda, the following represents the concerns most often expressed:

- delay (53 allegations);
  excessive fees (53 allegations);
  negligence (40 allegations);
  lack of communication (31 allegations);
  failure to pay accounts (25 allegations);
  conflict of interest (3 allegations);
  failure to provide client with itemized statement of account (3 allegations);
  failure to release the client's file (2 allegations).

Forty-one arbitrations were conducted by members of the Legal Fees Advisory Committee during the year. In 22 instances the fees were reduced by the arbitration panel and in 19 instances the fees were upheld. Another 36 arbitrations took place during the year but the decision of the arbitration panels had not been received as of March 31, 1992.

During the course of the year, 30 members were invited to appear before the committee to discuss concerns which had arisen during the course of an investigation. Members were often brought before the committee with respect to the following concerns: results of a spot audit; failure to comply with an undertaking given to the Discipline Committee; conflict of interest situations; failure to file the Annual Solicitors' Report within the prescribed time period; improper billing practises; excessive fees charged by a personal representative's lawyer in an estate matter; terms of supervision on a member's practice; misappropriation; failure to cooperate with the Law Society of Manitoba; and failure to comply with a court order.

The Discipline Committee authorized charges against 23 lawyers and issued two formal cautions. In one instance, a member received a formal caution with respect to a conflict of interest situation arising from a real estate transaction where the member represented the vendor, the purchaser, and the mortgagee. The member had not provided full disclosure to all parties in order to represent all three interests. The committee also issued a formal caution to a member who had failed to advise his client with respect to the status of the client's court proceedings and the reason for the delay in the hearing of the matter.

With respect to the charges authorized against 23 members, the following represents the charges most often cited:

- breach of the accounting rules; breach of trust conditions; breach of undertaking to the Discipline Committee; delay; misappropriation of trust funds; failure to attend court; charging fees which were not fully disclosed, fair and reasonable; misleading client as to the status of their matters; failure to respond to a 14 day letter from the Law Society of Manitoba, and failure to file the Annual Solicitors' Report within the prescribed time period.

Two members were interim suspended pending the hearing of charges of misappropriation by the Judicial Committee.

The committee also issued a practice direction pertaining to improper billing practices and the application of Law Society Rule 63(b) [now Rule 129(c)], as well as a practice direction relating to fees charged by a personal representative's lawyer with respect to estate matters.

Standards Committee

Marc M. Monnin
Chairperson

The Standards Committee held eight meetings during the year ending March 31, 1992 in which it reviewed 30 complaints against 17 members.

The type of intervention most frequently used by the committee was the "fireside chat" where one or two members were appointed and met with the member complained of, reviewed the complaints and made recommendations. Six subcommittees met with members throughout the year.

A number of matters were dealt with by forwarding a letter to the member, in which recommendations and suggestions as to appropriate conduct were made. Two members were referred to continuing legal education programs pertaining to law office management and accounting rules. The committee also determined that a number of the complaints reviewed did not warrant further action.

After reviewing the report of a subcommittee's meeting with a member, the committee imposed certain undertakings upon the member. However, the member was required to later personally appear before the committee with respect to allegations that he breached his undertakings to the Standards Committee. After hearing from the member, the committee resolved to authorize charges against the member with respect to breaches of his undertakings.

The committee also reviewed one member's request to resume active practice. The committee advised the member that it would hold his request in abeyance until the member dealt with all outstanding matters currently before the Law Society.

Another member who was referred to the Standards Committee with respect to health concerns took a voluntary leave of absence from the practise of law. The committee advised the member that should the member determine to resume active practice at a later date, he would have to comply with the usual procedures to obtain a practising certificate in addition to appearing before the Standards Committee to assure the committee that he is fit to practise.

In addition to considering complaints against members, the committee also discussed a number of policy issues including the feasibility of the continuation of the Practise Advisory Committee and changes to the rules by which the subcommittees on "fireside chats" received information. With respect to the Practice Advisory Committee, given the extensive use made of the committee by members of the profession, the committee recommended that it should be continued. A subcommittee was struck to review its structure as to areas of practice and participants.

I would like to express my appreciation to members of the committee for their dedication and the great deal of time spent on this committee and in particular to Heather Leonoff who served as Vice-Chair. I would also like to express my thanks to the Law Society staff for their assistance and their contributions to the committee's activities throughout the year.

Judicial Committee

D'Arcy C.H. McCaffrey, Q.C.
Chairperson

- *Nathan Shuckett No. 1*

  On June 18, 1990 the Judicial Committee met to consider charges of professional misconduct against Nathan Shuckett, who was called to the bar on October 31, 1932.

  The member, who did not appear at the hearing, was found guilty of failure in his duty of competence to his client while acting in a real estate transaction. A two year suspension was imposed.

  The member filed a Notice of Appeal to the Court of Appeal on July 18, 1990. Pursuant to Court of Appeal Rule 52, the appeal not having been made ready within one year from the filing of the notice, the appeal was deemed abandoned by notice of the Registrar dated January 7, 1992.

- *Nathan Shuckett No. 2*

  On June 19, 1990 the Judicial Committee met to consider charges of professional misconduct against Nathan Shuckett. Mr. Shuckett was consulted by a client involved in the dissolution of a business with other shareholders. The existing company was wound down by a liquidator and Mr. Shuckett received several cheques totalling $755.32 payable to the company which should have been turned over to the liquidator for the benefit of the creditors. The member did not appear to answer these allegations.

  The member was found to have committed professional misconduct for appropriating to his own use monies totaling $775.32 and was disbarred.

  The member filed a Notice of Appeal to the Court of Appeal on July 18, 1990. Pursuant to Court of Appeal Rule 52, the appeal not having been made ready within one year from the filing of the Notice, the appeal was deemed abandoned by notice of the Registrar dated January 7, 1992.

- *Robert John Douglas McRoberts*

  On April 24, 1991 The Judicial Committee accepted a plea of admission to misconduct from Robert John Douglas McRoberts with respect to charging a fee which was not fully disclosed, fair and reasonable. The committee issued a reprimand and ordered costs of $500.00.

- *Renald Guay*

  On Thursday, July 25, 1991 the Judicial Committee met to consider charges against Renald Guay. Mr. Guay entered a plea of admission to misconduct for failing to comply with a trust condition relating to the discharge of maintenance liens, which trust condition remained unsatisfied after four years. The committee noted inherent difficulties in the file and issued a reprimand and assessed costs of $300.00.

- *Re: A Member*

  On August 22, 1991 the Judicial Committee met to consider a Citation charging that an affidavit filed in a family matter contained inflammatory and unsupported allegations against another lawyer. The Judicial Committee acquitted the member of charges of misconduct, noting the highly contentious nature of the

proceedings. Subsequently, the member asked the Judicial Committee to consider costs against the Society. The committee held that on consideration of section 52(4) of *The Law Society Act*, it had no authority to award costs against the Society.

- *Robert Frederick Campbell*

  On September 11, 1992 the Judicial Committee accepted pleas of admission to misconduct from Robert Frederick Campbell for several counts relating to the failure to serve clients in a conscientious, diligent and efficient manner. The committee ordered conditions of practice including supervision and imposed a fine of $200.00 and costs of $70.00.

- *Jerrold Lawrence Gunn*

  On September 26, 1991 the Judicial Committee accepted the admission of a member, Jerrold Lawrence Gunn, of professional misconduct for failure of courtesy and good faith to a fellow lawyer. Mr. Gunn had written to the registrar of the Queen's Bench a letter which stated in part:

  > "I would ask that this letter be placed on file and that caution be exercised before allowing (named opposing counsel) to obtain any ex parte orders in light of his conduct on Saturday, May 12th, 1990."

  The committee imposed a fine of $500.00, costs of $1,200.00 and conditions of practice.

- *Herbert Liffmann*

  On November 5, 1991 the Judicial Committee met to consider charges of professional misconduct against Herbert Liffmann. The committee accepted an admission of misconduct with respect to three counts of breaches of Rule 63(b), failure to send a bill to the client before the monies were withdrawn from trust and applying them on account of fees, and one count of failing to promptly account for trust monies received from a client.

  After hearing evidence and submissions from counsel, the committee made findings of professional misconduct on four additional counts of breaches of Rule 63(b).

  The committee resolved that the member receive a reprimand with respect to each count, be assessed costs of $250.00 to be paid within seven (7) days and that the matter be published to the profession only.

- *Douglas Allan Young*

  On January 16, 1992 the Judicial Committee met to consider charges of professional misconduct and conduct unbecoming a barrister and solicitor against Douglas Allan Young, who was called to the bar on June 28, 1972.

  Mr. Young made unauthorized transfers from a client trust account to a separate account maintained for the fundraising purposes of a non-profit organization. The latter account was outside the member's law practice and the firm's trust accounts. The funds in the fundraiser account were then used for the member's own purposes for a net total misappropriation of $11,173.00 which was fully reimbursed

  The committee noted extenuating circumstances including frank acknowledgement of wrongdoing, contrition, cooperation with the Law Society, evidence of rehabilitation from personal and professional difficulties including alcoholism leading to the offence, and lengthy service to the profession and community.

  A three month suspension commencing January 16, 1992 was imposed along with costs and conditions of practice.

- *John Wellington Wilson*

  The committee met on February 6, 1992. The member admitted to one count of misconduct for missing a trial date and one count of misconduct for billing a client for attending to fix a new date after missing an earlier hearing date. The committee imposed conditions of practice including counselling and supervision, relating to the member's rehabilitation from alcoholism.

- *John Simpson*

  On December 13 and 23, 1991 the Judicial Committee met to consider charges of professional misconduct against John Richard Simpson, who was called to the bar on September 9, 1971.

  The member misappropriated a total of $6,048.50 from four client files, replacing the funds within four to six weeks in each case. There were two counts of unfair, unreasonable fees and ten counts under Rule 63 dealing with transfers from trust as well as one count of failure of frankness and candour to the Law Society of Manitoba and one count of breach of Rule 62(2) dealing with trust and accounting records. Circumstances were noted which led the committee to the view that disbarment was not required as would be the usual rule in cases of misappropriation. These factors included the early replacement of funds and the cooperation with the Law Society's custodian, favourable references, evidence of emotional strain, prior unblemished record, and the use of the funds for basic overhead rather than extravagant purposes.

  The member was suspended for six months from December 23, 1991, ordered to pay costs of $2,000.00 and had conditions of supervision imposed.

- *Lawrence Charles Greenberg*

  The committee met on February 27, 1992 to consider an application for reinstatement by Mr. Greenberg. Mr. Greenberg had been disbarred in 1986 with respect to eight (8) counts of professional misconduct. His application for reinstatement was allowed on conditions of supervision.

Professional Liability Claims Fund Committee

Robert Dewar
Chairperson

The Professional Liability Claims Fund Committee has been relatively active this year.

In addition to the miscellaneous administrative matters that found their way onto the committee's agenda, the committee spent time in considering the level of fees to be paid to counsel in regards to the insurance program promoted by the Society as well as put in place a standard retainer letter in regards thereto. The committee also reviewed the work of the Canadian Lawyers Insurance Association as it affects our province, providing its input where requested on matters such as the form of exclusions within the insurance policy. The committee also provided direction to the Society representatives in regards to the question of reciprocal insurance arrangements, which is one of the topics of discussion by the Inter-Jurisdictional sub-committee of the Federation of Law Societies.

Finally, and perhaps most importantly, the committee, after extensive deliberation, resolved to recommend to the Bench the creation of a new position within the Law Society, that of an Insurance Director. This recommendation was accepted by the Bench and efforts are now being made to fill that position.

I wish to extend my appreciation as Chairperson of the committee to all its members who have so freely contributed their time and talents to make the year a productive one.

Admissions and Education Committee

John Neufeld
Chairperson

The Admissions and Education Committee met at least once per month over the year. The committee has the responsibility in the following areas:

- Bar Admission Course;
- Continuing Legal Education;
- admission matters - resumption of active practice of members not currently holding active certificates and direct transfer from active practice outside of Manitoba.

Bar Admission Course

The 24th Bar Admission course began in June, 1990. Eighty students were enroled in the course, 3 students withdrew, 1 student failed the course and 76 students were called to the Bar on June 20th, 1991 at the annual spring sitting of the Queen's Bench held at the Centennial Concert Hall in Winnipeg.

The A. Montague Israels, Q.C. Prize for the outstanding student in the 24th Bar Admission Course was awarded to Loretta Anne Meade Kocsis by Mr. Justice Kroft. The student Bencher elected by the 24th Bar Admission students was Margaret Ita Wiebe.

The 25th Bar Admission course began in July, 1991. There were 80 students registered, one of whom subsequently withdrew and one of whom did not successfully complete the academic requirements of the Bar Admission Course. The student Bencher elected by the 25th Bar Admission students was Robert Tropack. The course ended in April, 1992, with the Call to the Bar scheduled for June 25th, 1992.

The Bar Admission Course featured several segments taught on consecutive days rather than only on Fridays. As a result, the course now ends in April rather than June. The Ethics and Professional Responsibility segment was expanded to include Law Office Management. Avis Raber, one of the Publication Editors in the Legal Studies Department, took a one year leave of absence and was replaced by Brenda Silver.

One of the students in the 25th Bar Admission class was allowed to article part-time as a special exception to the rule.

Continuing Legal Education

The Legal Studies Department continued to offer continuing legal education programs in a wide range of areas. A total of 36 programs were presented to the profession over the course of the year, a summary of which appears on page 18.

The Legal Studies Department jointly with the Manitoba Bar Association organized a successful mid-winter program devoted to the issues of marketing entitled "The Business Practice of Law".

The department continues its development of an Advocacy curriculum and in particular, offered a number of one-day advocacy modules on direct and cross examination. The department, together with Legal Data Resources Corporation, also offered computer courses including introduction to computers and WordPerfect for lawyers.

In addition, Legal Studies continues to run a large publication sales operation. A catalogue of all written publications available for sale is published twice a year along with a calendar of C.L.E. programming.

Admissions

The Committee considered 11 applications for resumption of active practice and three applications for transfer from another province and admission to the Bar of Manitoba.

The renovations of the Law Society building as a whole included the renovation of the classroom and new tables and chairs. The new classroom allows for more effective teaching in the Bar Admission Course and a more attractive setting for the continuing legal education programs.

The budgeting process this year was extremely difficult in view of the greatly reduced and anticipated funding from the Manitoba Law Foundation.

I would also like to thank Freda Steel who completes her three year term as Director of Education on June 30, 1992, for her superb job in the past years, and in particular, the last year while I was Chairperson of the Admissions and Education Committee. Her contribution to legal education in the Province has been outstanding and is most appreciated by the entire profession. During her tenure, legal education through the Law Society has improved dramatically. I would also like to thank Eve Finnbogason for her support as Assistant Director of Education in the past year, and to welcome her to her new position as the Director of Education commencing July 1, 1992. It is comforting to know that Freda Steel can pass on the position to someone so obviously qualified and prepared.

Finally, I would like to thank the members of the Admissions and Education Committee for their dedication in the past year. It was a year when many difficult challenges had to be faced, and I was fortunate to be assisted by such an able committee.

C.L.E. Seminars - April 1, 1991 to March 31, 1992

Winning in Small Claims Court
- April 3, 1991 59**

Wills and Estates Practice
- April 4, 1991 69

Injunctions
- April 18, 1991 87

***Trust Conditions & Undertakings**
- May 4, 1991 12

***Hecla Island - Intensive Advocacy**
- May 8 to 11, 1991 23

Practical Tips for Probate Practice
- May 8, 1991 65

***Cross Examination Module**
- June 4, 1991 8

***Cross Examination Module - Thompson**
- June 10, 1991 6

***Computer-Assisted Legal Research**
- June 13, 1991 12

Family Law Pretrials
- June 12, 1991 55

Examinations for Discovery
- September 11, 1991 90

Preparing and Defending an Account
- October 9, 1991 20

***Direct Examination Module**
- October 24, 1991 6

Pitblado Lectures: Recent Developments in the Law of Damages
- November 1-2, 1991 165

Reviewing a Commercial Lease from the Tenant's Perspective
- November 6, 1991 56

Appellate Advocacy
- November 22, 1991 125

***Computer-Assisted Legal Research**
- December 10, 1991 12

Family Law Motions Practice
- December 11, 1991 46

***Introduction to Computer Technology**
- December 12, 1991 20

***Word-Processing for Lawyers I**
- December 13, 1991 20

***Word-Processing for Lawyers II**
- December 13, 1991 20

***Law Office Systems Management**
- December 13, 1991 18

***Cross Examination Module**
- December 18, 1991 8

Representing the Personal Injury Client in Motor Vehicles Cases
- January 8, 1992 96

***The Business of the Practice of Law**
- January 31-February 1, 1992 - in conjunction with the Manitoba Bar Association's Mid-Winter Meeting

***Introduction to Personal Computers**
- February 4, 1992 4

Searches in Purchase and Sale Transactions
- February 5, 1992 51

***Manitoba Statutes on Line**
- February 18, 1992 4

***Trust Conditions and Undertakings**
- February 19, 1992 11

***Land Titles On Line**
- March 3, 1992 4

Cross Examination on Affidavits in Domestic Cases
- March 4, 1992 57

***Cross Examination Module**
- March 5, 1992 8

Builders' Liens
- March 12, 1992 78

***Winnipeg Courts System On Line**
- March 17, 1992 4

***Introduction to WordPerfect for Lawyers**
- March 31, 1992 4

***Limited Enrollment Courses**

****Numbers Stand for Number of Registrants**

Constitution Committee

Douglas N. Abra
Chairperson

During 1991 - 92 the Constitution Committee met on a monthly basis to discuss and recommend amendments to *The Law Society Act* and Rules of the Society. The most significant matters which the committee considered were as follows:

Unauthorized Practice

- The committee dealt with eight new matters relating to possible unauthorized practice by non-lawyers. In all cases, the matters were dealt with satisfactorily through correspondence to the individuals involved, or are still under investigation at this time.

- The committee received a complaint from a member of the profession about the promotional material distributed by a prepaid legal services plan operating in Manitoba. The matter was referred to the full governing body to consider in the context of the report of the Special Committee on Prepaid Legal Services Plans.

- The committee resolved to write to Chief Justice Hewak with respect to the general concern of collection agents and other non-lawyers operating in the Small Claims Court System.

- The committee met with representatives of the National Training Institute to discuss their proposed training program for Small Claims Agents and the Society's position on the subject.

Oath of Allegiance - Section 44 of Act

- Consideration was given as to whether the requirement of swearing an oath of allegiance in order to be called to the bar in Manitoba was constitutional, or should be abolished. The matter was referred to the full governing body and the Benchers are still considering the matter.

Open Judicial Committee Hearings - Section 49 of Act

- The committee formulated a package of proposed amendments that will result in formal inquiries held by the Society's Judicial Committee being open to the public, subject to a discretion in the hearing panel to close the hearing or part of it in appropriate circumstances. The media would not be permitted to publish the name of the lawyer who is the subject of the inquiry unless and until the member is convicted. These proposals were ultimately endorsed by the governing body, and have now been incorporated into a legislative amendment to *The Law Society Act* which is presently before the Manitoba legislature.

Disclosure of Information to Police - Section 52(6) of Act

- The committee has proposed that the governing body consider an amendment that would allow the Society to disclose information to law enforcement authorities where, in the course of an investigation by the Society, the Society receives information about apparent criminal activity by a lawyer. The proposed amendment has been referred to the Benchers for consideration.

Right to Obtain Files In Course of Investigation - Section 53(1) of Act

- The committee has proposed amendments that would clarify and extend the Society's right to obtain from a lawyer any files reasonably required by the Society in the course of an investigation into a member's conduct or competence. The proposal has been referred to the governing body for consideration.

Retention and Location of Trust Account Records - Rule 134.1(2)

- The committee proposed a rule amendment (which was ultimately passed by the Benchers) enabling a law firm to apply for permission to maintain its trust account records at a location other than the "chief place of practice". This amendment will accommodate law firms having branch offices.

Part-Time Articling - Rules 87 and 89

- The committee proposed rule amendments at the request of the Admissions and Education Committee (ultimately accepted by the Benchers) to permit articling students to complete the academic component or the articling component of the Bar Admission Course, or both, on a part-time basis.

Package of Amendments re: Society's Disciplinary Powers and Procedures

- The committee proposed a comprehensive package of act and rule amendments that would clarify the powers and procedures of the Law Society with respect to the discipline of members. Some of the issues addressed included procedures for serving notice upon the member, the right of the member to appeal interim suspensions pending a formal inquiry, the governing body's right to appeal decisions of the Judicial Committee on questions of law only, clarifying the time limits for initiating such appeals, and so forth. The bulk of the amendments were approved by the governing body, but certain portions were referred back to the Constitution Committee for further refining and are in the process of being referred to the Benchers for approval.

Adoption of New Bilingual Rules

- In December 1991, the governing body, on the recommendation of the Constitution Committee, adopted an entirely new set of bilingual rules for the Law Society of Manitoba to be effective February 1, 1992. The new rules were published and distributed as part of the new Professional Conduct Handbooks sent to each practising member of the profession in March 1992.

In conclusion, I would like to thank sincerely all of the members of the committee for their active participation and interest in the work of the committee and the staff of the Society for all of their cooperation and assistance throughout the year.

Personnel and Fiscal Management Committee

John H. Combs
Chairperson

This committee is charged with the responsibility of handling all staff matters including salaries and increases. In addition this committee monitors the management of the funds and assets of the Law Society of Manitoba, which funds are presently being managed by the firm of Jarislowsky, Fraser and Company.

Much of the committee's time during the last fiscal year has been devoted to consideration and plans to implement the recommendations of a consultant's report prepared by Clatworthy, Leskiw & Associates. This report dealt with the following issues:

- a review of the professional personnel structure of the Law Society and recommendations for an ongoing personnel structure or chain of command;
- development of job descriptions for all of the professional personnel of the Law Society;
- development of salary ranges for all the professional staff.

After a review of the report, the committee approved job descriptions for all the professional staff and as well made suggestions for the placement of the existing professional staff within the salary ranges suggested. All of these recommendations were subsequently approved by the Benchers.

In addition, during the past year the Benchers approved the creation of the position of Director of Insurance who will be responsible for the management of claims against the Professional Liability Claims Fund and as well be responsible for other insurance related matters in which the Law Society becomes involved. As a result of the creation of this position, the Personnel Committee developed a job description which was subsequently approved by the Benchers. A salary range for the position has also been developed and approved by the Bench.

The committee has considered other personnel related matters which are still under review and hopefully will be developed into further personnel policy.

As Chairperson of the committee I thank those members who have taken time to serve on the committee and, in particular, Rob Dewar, who chaired many of the meetings at which I could not be present. I would also like to thank the staff of the Law Society for their continued dedication and support.

Legal Aid Liaison Committee

Jeffrey J. Gindin
Robert L. Pollack
Co-Chairpersons

By January, 1992, no significant developments had taken place and no major crises were brought to your chairpersons' attention. To determine if there were such matters on Legal Aid's agenda a meeting was convened with its Executive Director, Alan Fineblit, on January 31, 1992. Preparations for the 1992 - 93 budget were under way but there was no immediate news of interest to the profession.

On March 3, 1992, however, your committee was included in a meeting with the Board of Directors of the Legal Aid Services Society of Manitoba. Mr. Gindin also represented the Manitoba Criminal Defence Lawyers' Association, of which he is President, and the President of the Manitoba Bar Association was present. This was the day before the announcement of the budget by the Minister of Finance and, for the first time, we were made aware of the substantial decrease in funding to Legal Aid Manitoba prompting a reduction in the tariff of criminal law fees.

The controversy that has followed is a well documented matter of public record. Our activities culminated in the passing of a resolution by the Benchers on March 26, 1992 expressing regret for the government's lack of consultation and jeopardy to the present plan and calling upon the government to reconsider following consultation with the organized bar. Benchers also instructed the President to issue a news release concerning the resolution and to present it to the Minister of Justice at an already scheduled March 28, 1992 meeting.

Your committee expresses its disappointment in the lack of media attention paid to an unusual and significant resolution of our governing body which correctly identified the public interest issue in this controversy.

Your chairpersons close, as did their predecessors, with praise for Mr. Fineblit's continued accessibility and candor.

Public Relations Committee

Gavin M. Wood
Chairperson

The Public Relations Committee met three times during the past fiscal year.

The committee continued with the process of producing an updated and upgraded set of informational pamphlets.

A draft of each of the pamphlets was reviewed by committee members. Based on those reviews, changes were made both to the graphics and to the content of the pamphlets. After final revisions were approved by the committee, an initial run of 5000 copies of each of the eight new pamphlets was produced and they are now being distributed to members of the public and the profession.

In the spring of 1992, the Manitoba Bar Association approached this committee with respect to the possibility of a joint advertising campaign. Discussions have been commenced in that regard.

Legal Library Resources Users Committee

Heather S. Leonoff
Robert L. Pollack
Co-Chairperson

This year has been a very disheartening year for the Legal Library Resources Users Committee. Budgetary problems continue to be the main issue. For the fiscal year of the Government ending March 31, 1992, the Law Society contributed $180,000.00 to the Government's Legal Library budget. $140,000.00 of this money was as a result of contractual arrangements with the Government made at the time it took over operation of the Great Library. The additional $40,000.00 was negotiated as a one time payment. Throughout the year the President of the Society has had numerous discussions with the Government in an attempt to solve long term budgetary problems but no final agreement has been reached.

For the fiscal year ending March 31, 1992, the Government of Manitoba's Legal Library budget amounted to $362,500.00 for salaries and $560,600.00 for operations. Of the operation's budget, just over 90% ($508,489.35) goes for publications. Of this amount, $202,563.21 was spent on publications for the Great Library. A very small portion of the publication's budget is spent on rural courthouse libraries. The remainder is used for other Government law libraries.

The 1992/93 budget for the libraries has not yet been finalized. For the time being the Government has indicated that it is not cutting back on the salaries portion of the budget. Therefore hours of operation and staff levels continue to be maintained. However, the Government has called for a cutback in the operation's budget. The Legal Library Users' Committee met with Government librarians and Government representatives in an attempt to reduce the operation's budget. Although we were able to make some small reduction, we were not able to meet the Government's target. The consensus from the meeting was that any further cuts to the Great Library would severely curtail its use as a research facility.

The Law Society members on the Library Users' Committee continue to press for improved services in the rural courthouse libraries. Representations have been made on the need to install computer services into these libraries so that lawyers can continue to provide high quality services. The Government has no present plans to install a computer research network. Some very preliminary discussions have taken place with the Manitoba Law Foundation on whether it may be prepared to finance a pilot project which would put a computer research network into one of the rural libraries. This will continue to be explored in the upcoming year.

Reimbursement Claims Fund Committee

Jack M. Chapman, Q.C.
Chairperson

The Reimbursement Fund was created pursuant to an amendment of *The Law Society Act*, passed on March 17, 1943. The fund was established to compensate persons who have suffered a financial loss as a result of misappropriation or conversion of trust funds by a lawyer acting in his or her professional capacity. Between the time the Reimbursement Fund was first created and the end of 1991, the Society has, over the years, paid a total of approximately $1.96 million with respect to 267 claims against 31 lawyers.

Subsection 37(4) of the *Act* requires the Benchers to make a yearly report to the Attorney General as to the Fund. The report for the calendar year 1991 shows that an assessment of $400 was made for each member entitled to practise, that all members so assessed paid the assessment or the proper proportion thereof; that the total so paid was $658,553.83 and that during the year interest on investments and bank interest in the net amount of $24,486.33 was received.

As at March 31, 1992, the Fund stood as follows:

Investments at cost	$352,363
Due from General Fund	$709,536

For the year under review, the Benchers continued to insure the Fund. The principal provisions of the coverage were:

Term:	One year commencing April 1, 1991
Coverage:	A. $10 million any one loss B. $10 million annual aggregate
Deductible:	$750,000 annual aggregate
Premium:	$100,364 ($66.73 per member)

During 1991-92, the members of the Reimbursement Claims Fund Committee were Jack Chapman, Q.C. (chairperson), Trevor Anderson, Q.C., Knox Foster, Q.C., Sandra Gordon and D'Arcy McCaffrey, Q.C. The committee met atotal of six times during the year. As a result of recommendations from the committee, the governing body ultimately approved payment of the following claims from the Reimbursement Fund:

Member	Amount Paid
Michael Skremetka	$11,113.90
Terry McManus	500.00

1. The committee considered a claim against Michael Skremetka arising out of an estate file. When Mr. Skremetka's practice was wound up, a shortfall in the estate trust account was noted. Due to the state of the files and records, there were difficulties in providing a proper accounting and tracing of funds. The committee was satisfied that a shortage of $11,113.90 should be treated as misappropriated and paid out accordingly. Upon a subsequent request and further consideration, it was resolved not to pay costs or interest.

2. The committee dealt with an issue concerning the releases and assignment agreements from Soviet claimants (as they then were) whose claims against Nestor Kripakevich had been approved for payment. Lawyers for the claimants requested to sign on behalf of those beneficiaries under powers of attorney. The committee directed that the beneficiaries personally would be required to sign the releases and assignments in order to satisfy trust conditions.

3. The committee dealt with a substantial claim against a member which raised issues of professional capacity and a question as to whether there was misappropriation of trust money or merely a bad investment. The committee directed counsel for the claimant to pursue civil remedies so these issues could be fully canvassed before the committee made a final determination.

4. The committee recommended payment of $500.00 to E.M. for money paid to Terry McManus as a retainer which appeared to have been used by the member without authority or provision of significant services.

5. The committee heard representations concerning the claim of A.F. respecting funds placed with a lawyer who was involved as a business partner in a hotel-restaurant venture. Issues respecting professional capacity and questions about whether the money was misappropriated or invested badly were canvassed.

   It was resolved to deny the claim on the basis that the evidence did not satisfy the committee that there was misappropriation or conversion.

6. The committee resolved to deny the claim of S.D. which alleged misappropriation of proceeds of a real estate transaction. It appeared to the committee that the claimant was not the client of the member. The committee found no evidence of misappropriation given the accounting apparently provided to the claimant's mother.

7. The committee considered a substantial claim by a corporation. Noting that the monies appeared to have been placed with the member's investment company, rather than with the member *qua* lawyer the committee resolved to deny the claim.

8. Two other claims against the member raised similar issues, and the committee resolved to request further information on the issue of professional capacity before reaching a decision.

As a result of a substantial number of claims respecting alleged misappropriation by Emilio J. Guercio, the governing body established a separate committee to process these claims, the "Guercio Reimbursement Committee". This committee, consisting of John Scurfield, Q.C., John Neufeld and Hymie Weinstein, Q.C., operates separate and apart from the regular Reimbursement Claims Fund Committee, and its activities are reported elsewhere in this annual report.

In view of the establishment of the Guercio Reimbursement Committee and the apparent conflict of interest for members of the Taylor McCaffrey Chapman law firm, Jack Chapman, Q.C. and D'Arcy McCaffrey, Q.C. stepped down as members of the Reimbursement Claims Fund Committee in early 1992.

Guercio Reimbursement Committee

John M. Scurfield, Q.C.
Chairperson

This special committee consisting of John Scurfield,Q.C., Hymie Weinstein, Q.C. and John Neufeld was constituted in December, 1991 to consider claims and advise the Bench with respect to losses experienced as a result of the misappropriation of trust funds by Emilio Guercio.

The Benchers decided the Society should engage counsel outside the province and the Ladner Downs firm in Vancouver has been retained in this regard.

The committee has met on several occasions to assess the general problem and subsequent to obtaining directions from the Bench following an open meeting of the profession, has begun the job of evaluating claims on a case by case basis. At the present time, gross losses of approximately $1.5 million have been identified.

Our auditors are continuing to investigate and the committee continues to meet and approve or reject claims on a case by case basis.

Special Committee - Discipline and Standards Procedures

Alan D. MacInnes, Q.C.
Chairperson

In late 1990 the governing body established this committee whose members are Alan MacInnes, Q.C., Hymie Weinstein, Q.C., Laurie Allen, John Combs, Barney Christianson, Q.C., and Anita Neville. Four members of the Society's professional staff, Deborah McCawley, Q.C., Donald Macri, Paul Anderson and Dianna Scarth, have assisted the committee and participated in the meetings.

The committee has met on six occasions between December 1990 and the fall of 1991.

In general terms, the mandate of the committee is to review and report back to the Benchers on any issues, problems or needed reforms concerning the procedures and practices of the Society with respect to complaints and investigations into the conduct or competence of members of the Society. Some issues the committee has specifically considered are:

- procedures for streamlining the complaints process to ensure that complaints are dealt with expeditiously;
- development of screening procedures to ensure that the Discipline Committee is better able to concentrate on those complaints which are more serious in nature, with less time spent reviewing complaints of less serious matters;
- development of a new process to effectively deal with the many complaints filed with the Society which might be characterized as "unsatisfactory professional practice" which are not serious enough to warrant formal charges against a member, but which nevertheless warrant some action by the Society and some acknowledgement to the complainant that the member's conduct has been unsatisfactory;
- some form of telephone mediation process for some complaints;
- other measures to reduce the heavy and ever-increasing workload of the Discipline Committee;
- development of measures to improve the consistency of decision-making by the committees involved in the Society's conduct or competence process;
- the appropriateness of the sharing of information between different committees or "departments" within the Society.

The committee has carefully examined the current procedures of the Discipline Committee and the Standards Committee, which are the two committees within the Society involved in investigations relating to the conduct or competence of members. The committee has also reviewed some of the procedures in place and reforms recently instituted in other jurisdictions in Canada.

The committee is now in the process of drafting its report which ultimately will be tabled with the governing body for consideration and debate.

Special Committee on Integration of the French Language

The Hon. Mr. Justice Michel A. Monnin
Chairperson

This committee was recently reconstituted and held its inaugural meeting on March 3, 1992. The present members are: Michel Monnin, Don Little, Trevor Anderson, David Matas, Guy Jourdain, Don Baizley and Radha Curpen.

The committee decided that amongst others the following matters needed to be addressed:

- written communications between members and the Law Society of Manitoba;
- dealings with the public in French including inquiries, the Lawyer Referral Program and complaints against members;
- the placement of articling students who wish to work in French with French firms;
- the extent to which the Law Society supports and participates or should support and participate in national organizations concerned with French in the practice of law;
- whether a seat or seats on the governing body should be set aside for a French bencher(s);
- access to existing continuing legal education (CLE) programs in French i.e. what could and should be translated;
- whether French CLE programs should be designed and presented and whether they should be parallel or separate, and what is the vehicle to implement this if need be;
- general communication with the public by the Law Society in French i.e.. pamphlets (how many already translated);
- extent of involvement of Law Society in P.L.E.A. (Public Legal Education Activities) especially with francophone new citizens;
- availability of library and resource materials in French for lawyers including the cataloguing and indexing of the French collection in the Great Library;
- availability of funding to achieve the recommendations of the committee.

The following plan of action was approved:

- the Department of Secretary of State is to be canvassed to establish what funding is available for projects like ours and what is required to access it;
- investigate what has been achieved in Ontario (Law Society of Upper Canada French Language Services coordinator) and also in New Brunswick;
- attempt to identify the number of present lawyers who would benefit and put to use some of the above objectives, as well as the number of students expected to enter the field from the University of Manitoba, the University of Ottawa and the University of Moncton, who would utilize above;
- the committee agreed to recommend immediately to the Benchers that the matter of cataloguing be brought to the attention of the proper authorities. The committee views this as a positive and visible step that the Law Society of Manitoba could achieve rapidly.

Special Committee on Custodianships

Alan Sweatman, Q.C.
Chairperson

Some months ago the governing body established a special committee to review the Society's policies and practices with respect to custodianships of lawyers' practices. The members of the committee are Alan Sweatman, Q.C. (Chairperson), Ted Crane, Julian Glowacki, Q.C., Wayne Leslie and Doug Ward.

A "custodianship" refers to situations where the Law Society is required to take control and assume responsibility for the client files, trust funds and other such matters relating to a member's law practice. This need may arise where a member has been suspended or disbarred by the Society under its disciplinary procedures, or where a soie practitioner has died or become too ill to carry on his or her practice.

The special committee began its work in 1990 and has continued to meet from time to time throughout 1991 and early 1992. The committee's report and recommendations have now been completed and have been referred to the Executive and Finance Committee for consideration. It is anticipated that the committee report will ultimately be referred to the governing body for consideration and debate of a number of recommendations including some proposed amendments to section 60 of *The Law Society Act*.

Manitoba Law School Foundation

Bryan D. Klein
Chairperson

As Chairperson of the Board of Governors of the Manitoba Law School Foundation, I am pleased to present the annual report of the Foundation to the members of the Law Society of Manitoba.

The Manitoba Law School Foundation was founded by a private enactment of the Manitoba Legislature in 1965 for the purpose of the enhancement and advancement of the Manitoba Law School and for the advancement of legal education and research or other objects considered beneficial to or in the interest of the legal profession and the public.

The members of the Foundation are two nominees of the Law Society of Manitoba, two nominees of the Manitoba Law School, and one nominee of the Senate of the University of Manitoba.

During the past twelve months, the Board of Governors met on two occasions.

The Foundation currently oversees the investment of approximately $190,000 of assets, $90,000 of which represents the capital of the Foundation's own endowment fund, $58,000 of which represents the Graeme Garson Fund, and $41,000 represents capital of specific funds that have been established over the years in respect of which the Manitoba Law School Foundation acts as custodian and trustee.

During the course of the year, the Foundation administered the Graeme Garson Fund through the Graeme Garson Fund Advisory Board. This board recommended and the Foundation approved, certain financial assistance to four students in the Law Society Bar Admission Program.

As part of its mandate, the Foundation:

- approves prizes out of the various scholarship funds administered by the Foundation to students at the Faculty of Law who were the winners of such prizes after having attained exemplary scholarship standards;
- funds certain expenses at the Faculty of Law.

Legal Data Resources (Manitoba) Corporation ("LDRC")

Ronald L. Coke
Chairperson

LDRC completed it's third fiscal year as at the end of March, 1992. While final audited results have not been received, it appears that the Corporation will post a profit of $7,000, after payment of all expenses, including payment of interest to the Law Society of Manitoba. In addition to interest, LDRC has now begun to repay principal to the Law Society and proposes to continue a program of annual principal reductions subject to cash flow requirements.

The Board of LDRC has been pleased with the progress made this year in establishing a sound financial base and in expanding LDRC's activities into an area which will provide significant benefit to the legal community, namely the area of computer eduction. It has done this at the same time as it has increased the number of its clients and provided increased services in other areas.

The credit for most of this progress must go to Fiona Duncalf, the Administrator of LDRC, who has managed this year, as in the previous year, to exceed the expectations of the Board with the work she has done.

During the past year, LDRC has undertaken the following:

- Provided a series of computer courses (commencing in January) for members of the legal profession which operate on a hands-on basis using LDRC computers in the classroom at the Law Society. These courses have included "Introduction to PC's", "Introduction to DOS", and separate courses entitled "Introduction to WordPerfect" and "Introduction to Microsoft Word" (both word processing programs). In addition LDRC has offered courses on LDRC services, including land titles searching and use of statutes. A total of five courses were offered and aside from one spot in one class, all were "Sold Right Out" (some were sold out before the mailings were circulated);

- Expanded it's client base to a total of 239 firms;

- Provided "in-house" training for approximately 88 firms on LDRC searching procedures;

- Provided "in-house" training at the Law Society of Manitoba for both Law Society staff and Legal Studies staff with respect to computer programs used by the Law Society and Legal Studies;

- Offered Decisions, Rulings, and Local Policy Memos of The Manitoba Securities Commission to members of the legal profession on computer disk;

- Provided advice (without charge) to various law firms wishing to establish their own computer systems, on equipment, software and other matters relating to systems;

- Served on the Access-to-the-Law Advisory Group established by the Attorney General's Department;

- Provided electronic copies of judgments of the Court of Queen's Bench of Manitoba via modem to the B.C. Computers and Law Research Project.

It is expected that it will be possible for LDRC to expand upon the above activities in the next year, including providing additional database services to the legal profession.

The Corporation is interested in suggestions for improving its services and would be pleased to receive comments of members of the Society at any time.

Federation of Law Societies of Canada

Deborah McCawley, Q.C.
Chief Executive Officer

The Annual Meeting of the Federation of Law Societies of Canada was held at Calgary, Alberta August 14 - 17, 1991. Jean Brisset des Nos of Sainte-Foy, Quebec was elected President and R. Paul Beckmann, Q.C. of Vancouver, British Columbia was elected Vice-President for the year 1991 - 92.

During the meeting a one day workshop on "Professionalism" was held, chaired by Alan MacInnes, Q.C., the director for Manitoba/Saskatchewan.

At the Annual Meeting of Delegates the chair of the Inter-Jurisdictional Practice Implementation Committee, Jack T. Edwards, Q.C. reported on the ongoing work of his committee and the various sub-committees and indicated he hoped the committee would table its final report at the annual meeting in August, 1992. The future role of the Federation was also discussed at a meeting of the presidents and delegates.

The Mid-Winter Meeting of the Federation of Law Societies was held at Vancouver, British Columbia February 20 - 22, 1992. During the meeting a panel discussion was held on "conflict of interest standards" arising from the decision of the Supreme Court of Canada in *Martin v Gray* and the draft report of the Canadian Bar Association Task Force on Conflict of Interest. Donald M. Little, President of the Law Society of Manitoba, participated as a panelist along with Professor Charles W. Wolfram of Cornell Law School at Ithica, New York.

Jack T. Edwards, Q.C. provided a further update in the work of the Inter-Jurisdictional Practice Implementation Committee indicating that certain issues with respect to insurance coverage and a national compensation plan (re reimbursement fund matters) remained outstanding.

It was reported that there would be a workshop at the 1992 Annual Meeting in Halifax, Nova Scotia in August on the Independence of the Legal System in Canada.

Report of the Auditor-Inspectors

Catherine C. Cronin, C.A.
and John McFarlane, C.A.

The Law Society employs two Auditor-Inspectors as members of the Society's permanent staff, one of whom works full-time and the other on a two-thirds time basis.

During the 1991-92 fiscal year, the Benchers resolved to temporarily expand the auditing staff with the addition of two part-time auditors on term contracts. As a result, Nancy Zacharias, C.A, and Sherri Jack, C.A., have temporarily been added to the Society's auditing staff as of March, 1992 and both work part-time. This temporary increase in the Society's auditing staff will hopefully improve the effectiveness of the spot audit program in detecting and preventing problems with respect to law firm trust accounts.

The duties of the Auditor-Inspectors are as follows:

- completion of routine spot audits as scheduled;
- special audits arising from exceptions noted by external accountants on a firm's annual accountant's report (Form D);
- special audits conducted as a result of reports of practice difficulties or client complaints;
- return visits after a reasonable period to confirm compliance;
- visits to new practitioners to discuss accounting requirements;
- consultations with office administrators and/or bookkeepers with regards to accounting systems or clarification of rules respecting accounts;
- consultation with professional accountants engaged to complete Form D's on behalf of law firms.

During the year ending March 31, 1992 the following were completed:

Routine spot audits:	86
Special audits	33
Consultation/advice	57

The time of one of the Auditor-Inspectors has been devoted almost exclusively to the ongoing investigation with respect to the Guercio matter since it first came to light in November, 1991.

The auditing staff of the Law Society continue to report a number of areas of non-compliance with the Society's rules commonly occurring in many law firms. These problems occur both in small law firms using manual accounting systems and in larger firms with sophisticated computerized accounting packages.

Some of the most common problems encountered are:

- inadequate record keeping and accounting for client trust funds invested on behalf of the individual clients ("specific trust investments");
- failure to include the specific trust investments in the monthly reconciliations;
- when discrepancies are recognized in the course of the monthly reconciliation, failure to follow up on items identified;

- misunderstanding with respect to the requirements of properly recording interest earned for clients on specific trust investments;

- stale-dated trust cheques and old unpaid trust balances;

- improper billing procedures, contrary to the Society's rules;

- charging legal fees on estates contrary to the provisions of Queen's Bench Rule 74;

Deloitte & Touche

Deloitte & Touche
Chartered Accountants

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AUDITORS' REPORT

To the Members of
The Law Society of Manitoba

We have audited the condensed balance sheet and the special purpose funds balance sheets of The Law Society of Manitoba as at March 31, 1992 and the statements of operations and fund equities of the General Fund, Reimbursement Fund, Endowment and Trust Fund, Professional Liability Claims Fund, Legal Studies Program Fund, William Edward Driscoll Bursary Fund and Brian Pauls' Emergency Fund for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 1992 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Deloitte & Touche

Chartered Accountants

Winnipeg, Manitoba
May 27, 1992

THE LAW SOCIETY OF MANITOBA
(Incorporated under The Law Society Act of Manitoba)

CONDENSED BALANCE SHEET

	March 31	
	1992	1991
ASSETS		
GENERAL FUND		
Cash and term deposits	$ 1,240,860	$ 856,458
Funds held in trust	104,453	158,736
Accounts and interest receivable	98,161	52,828
Prepaid expenses	18,200	3,121
Loan receivable from LDRC (Note 6)	83,821	86,975
Investments, at cost (market value $108,336; 1991 - $735,158) (Note 2)	104,499	694,370
Pension accrual (Note 1)	58,818	34,308
Investment in Lawyer Excess Liability Insurance Manitoba Ltd., at cost	1,000	1,000
Fixed assets (Note 1)	1,131,049	1,131,049
	2,840,861	3,018,845
SPECIAL PURPOSE FUNDS (COMBINED)		
Due from General Fund	1,253,330	898,792
Accounts and interest receivable	79,392	78,287
Accounts receivable from the Manitoba Law Foundation	-	385,571
Prepaid expenses	108,590	100,413
Investments, at cost (market value $6,792,250; 1991 - $5,732,103)	6,300,109	5,369,984
	7,741,421	6,833,047
	$ 10,582,282	$ 9,851,892

ON BEHALF OF THE BENCHERS

.....

.....

Deloitte & Touche

THE LAW SOCIETY OF MANITOBA
(Incorporated under The Law Society Act of Manitoba)

CONDENSED BALANCE SHEET

	March 31	
	1992	1991
LIABILITIES AND FUND EQUITIES		
GENERAL FUND		
Accounts payable and accrued liabilities	$ 396,521	$ 335,789
Funds held in trust	104,453	158,736
Fees paid in advance	312,150	229,850
Mortgage payable (Note 3)	771,016	802,888
Due to Special Purpose Funds (Combined)	1,253,330	898,792
	2,837,470	2,426,055
Fund equity	3,391	592,790
	2,840,861	3,018,845
SPECIAL PURPOSE FUNDS (COMBINED)		
Accounts payable	329,241	118,720
Assessments paid in advance	201,007	146,156
Professional liability claims assessments paid in advance	757,485	679,415
Reserve for outstanding professional liability claims and associated costs (Notes 1(b) and 4)	3,561,939	2,852,559
	4,849,672	3,796,850
Fund equity		
Reimbursement Fund	821,073	313,780
Endowment and Trust fund		
Billinkoff Loan Fund	1,640	1,555
Crawford Scholarship and Prize Fund	5,490	5,522
Professional Liability Claims Fund (Note 4)	1,657,896	2,354,338
Legal Studies Program Fund	400,970	356,605
William Edward Driscoll Bursary Fund	4,297	4,042
Brian Pauls' Emergency Fund	383	355
	2,891,749	3,036,197
	7,741,421	6,833,047
	$ 10,582,282	$ 9,851,892

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THE LAW SOCIETY OF MANITOBA

STATEMENT OF GENERAL FUND OPERATIONS AND EQUITY

	Year Ended March 31	
	1992	1991
REVENUES		
Annual fee		
Practising	$ 1,030,473	$ 901,058
Non-practising	28,575	26,475
Rental	108,754	115,361
Call and attorney fees	20,250	23,000
Administration fees	48,900	35,860
Administrative services - Professional Liability Claims Fund	75,000	75,000
Net investment income	32,327	46,155
Miscellaneous	52,631	56,601
Costs recovered - Discipline Committee	8,219	4,943
	1,405,129	1,284,453
EXPENSES		
Benchers' meeting expenses	45,610	47,928
Discipline Committee expenses	163,117	63,006
Grant to C.L.E.A.	43,500	36,000
Grant to U of M Faculty of Law	-	5,000
Library grant	180,000	140,000
Mortgage interest	97,335	101,466
Other grants and prizes	29,844	22,335
Office equipment and maintenance	19,922	11,346
Other office and sundry expenses	109,238	99,579
Printing, stationery and postage	130,585	75,949
Professional fees	27,649	14,682
Property taxes	35,184	45,009
Public relations	3,000	4,643
Renovations	369,219	-
Salaries and benefits	664,005	514,254
Travel	57,333	56,217
Utilities	18,987	15,907
	1,994,528	1,253,321
EXCESS OF (EXPENSES OVER REVENUES) REVENUES OVER EXPENSES	(589,399)	31,132
FUND EQUITY, BEGINNING OF YEAR	592,790	561,658
FUND EQUITY, END OF YEAR	$ 3,391	$ 592,790

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THE LAW SOCIETY OF MANITOBA

STATEMENT OF REIMBURSEMENT FUND OPERATIONS AND EQUITY

Year Ended March 31

	1992	1991
REVENUES		
Annual assessments	$ 659,454	$ 245,737
Net investment income	63,383	32,447
Foreign exchange gain on investments	2,513	-
Recovery of claims	425	-
	725,775	278,184
EXPENSES		
Claims	20,771	420,780
Foreign exchange loss on investments	-	3,102
Insurance	100,364	103,084
Salaries	97,347	99,725
	218,482	626,691
EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)	507,293	(348,507)
FUND EQUITY, BEGINNING OF YEAR	313,780	662,287
FUND EQUITY, END OF YEAR (Note 5)	$ 821,073	$ 313,780

THE LAW SOCIETY OF MANITOBA

STATEMENT OF ENDOWMENT AND TRUST FUND OPERATIONS AND EQUITY

	Year Ended March 31	
	1992	1991
BILLINKOFF LOAN FUND		
Interest income	$ 85	$ 85
Fund equity, beginning of year	1,555	1,470
Fund equity, end of year	$ 1,640	$ 1,555
CRAWFORD SCHOLARSHIP AND PRIZE FUND		
Investment income	$ 230	$ 412
Less scholarship paid	262	327
Excess of (expenses over revenue) revenue over expenses	(32)	85
Fund equity, beginning of year	5,522	5,437
Fund equity, end of year	$ 5,490	$ 5,522
WILLIAM EDWARD DRISCOLL BURSARY FUND		
Investment income	$ 255	$ 384
Fund equity, beginning of year	4,042	3,658
Fund equity, end of year	$ 4,297	$ 4,042
BRIAN PAULS' EMERGENCY FUND		
Interest income	$ 28	$ 5
Fund equity, beginning of year	355	350
Fund equity, end of year	$ 383	$ 355

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THE LAW SOCIETY OF MANITOBA

STATEMENT OF PROFESSIONAL LIABILITY CLAIMS FUND OPERATIONS AND EQUITY

	Year Ended March 31	
	1992	1991
REVENUES		
Insurance premiums paid by members	$ 1,482,740	$ 1,442,310
Net investment income	492,957	465,239
Foreign exchange gain on investments	46,525	-
	2,022,222	1,907,549
EXPENSES		
Adjusters' fees	168,757	125,441
Claims paid	711,284	302,120
Counsel fees	559,390	407,331
Foreign exchange loss on investments	-	19,328
Administrative services - General Fund	75,000	75,000
Other	77,070	56,160
Premiums	417,782	403,367
Reserve for outstanding claims and associated costs (Note 1(b) and 4)	709,381	638,441
	2,718,664	2,027,188
EXCESS OF EXPENSES OVER REVENUE	(696,442)	(119,639)
FUND EQUITY, BEGINNING OF YEAR	2,354,338	2,473,977
FUND EQUITY, END OF YEAR (Note 4)	$ 1,657,896	$ 2,354,338

THE LAW SOCIETY OF MANITOBA

STATEMENT OF LEGAL STUDIES PROGRAM FUND OPERATIONS AND EQUITY

Year Ended March 31

	1992	1991
REVENUES		
Grant from Manitoba Law Foundation	$ 633,975	$ 680,972
Bar admission course fees	39,440	39,910
Legal studies lectures	57,829	75,066
Miscellaneous	16,421	22,664
Interest income	17,919	14,221
	765,584	832,833
EXPENSES		
Call ceremony	7,867	7,318
Furniture and fixtures	33,172	28,217
Grant to General Fund	10,000	7,500
Honoraria to lecturers	84,022	57,422
Miscellaneous	10,349	13,266
Office supplies and stationery	25,684	28,133
Photocopying and printing	79,480	71,981
Rent - General Fund	106,004	101,157
Salaries	280,268	250,957
Seminars	39,176	50,633
Travel and professional development	16,061	16,895
Travel and lodging - students	29,136	23,946
	721,219	657,425
EXCESS OF REVENUES OVER EXPENSES	44,365	175,408
FUND EQUITY, BEGINNING OF YEAR	356,605	181,197
FUND EQUITY, END OF YEAR	$ 400,970	$ 356,605

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THE LAW SOCIETY OF MANITOBA

SPECIAL PURPOSE FUNDS
BALANCE SHEETS
ASSETS

	March 31	
	1992	1991
REIMBURSEMENT FUND		
Due from General Fund	$ 709,536	$ 163,553
Accrued interest receivable	4,356	4,594
Investments, at cost (market value $378,452; 1991 - $344,933)	352,363	324,233
	1,066,255	492,380
ENDOWMENT AND TRUST FUND		
Due from General Fund	1,900	1,665
Accounts and accrued interest receivable	230	412
Investment in term deposits, at cost	5,000	5,000
	7,130	7,077
PROFESSIONAL LIABILITY CLAIMS FUND		
Prepaid expenses	105,790	100,413
Due from General Fund	109,250	701,137
Accrued interest receivable	74,806	73,281
Investments, at cost (market value $6,408,798; 1991 - $5,382,170)	5,942,746	5,040,751
	6,232,592	5,915,582
LEGAL STUDIES PROGRAM FUND		
Due from General Fund	427,964	28,040
Accounts receivable	-	385,571
Prepaid expenses	2,800	-
	430,764	413,611
WILLIAM EDWARD DRISCOLL BURSARY FUND		
Due from General Fund	4,297	4,042
BRIAN PAULS' EMERGENCY FUND		
Due from General Fund	383	355

THE LAW SOCIETY OF MANITOBA

SPECIAL PURPOSE FUNDS
BALANCE SHEETS
LIABILITIES AND FUND EQUITIES

	March 31	
	1992	1991
REIMBURSEMENT FUND		
Assessments paid in advance	$ 196,075	$ 133,600
Accounts payable and accrued liabilities	49,107	45,000
Fund equity	821,073	313,780
	1,066,255	492,380
ENDOWMENT AND TRUST FUND		
Fund equity		
Billinkoff Loan Fund	1,640	1,555
Crawford Scholarship and Prize Fund	5,490	5,522
	7,130	7,077
PROFESSIONAL LIABILITY CLAIMS FUND		
Professional liability insurance premiums paid in advance	757,485	679,415
Accounts payable	255,272	29,270
Reserve for outstanding claims and associated costs (Note 4)	3,561,939	2,852,559
Fund equity (Note 4)	1,657,896	2,354,338
	6,232,592	5,915,582
LEGAL STUDIES PROGRAM FUND		
Accounts payable	24,862	44,450
Course fees paid in advance	4,932	12,556
Fund equity	400,970	356,605
	430,764	413,611
WILLIAM EDWARD DRISCOLL BURSARY FUND		
Fund equity	4,297	4,042
BRIAN PAULS' EMERGENCY FUND		
Fund equity	383	355

Deloitte & Touche

1. BASIS OF ACCOUNTING

a) Nature of organization

The Law Society of Manitoba is a not-for-profit organization incorporated by a special act of the Manitoba Legislature. The Society follows the accrual method of accounting and has established separate special purpose funds for the administration of specific programs.

b) Reserve for outstanding claims

The Society records claims of the Professional Liability Claims Fund by accruing a reserve for outstanding claims and associated costs at March 31, 1992. The balance of the reserve at March 31, 1992 was $3,561,939 (1992 - $2,852,559).

c) Fixed assets

Fixed assets are composed as follows:

	1992	1991
Land	$ 257,501	$ 257,501
Building	873,547	873,547
Office equipment	1	1
	$ 1,131,049	$ 1,131,049

Land and the building are valued at cost while office equipment is valued at a nominal amount. Office equipment purchases are expensed in the year of acquisition. Depreciation expense has not been recorded in the financial statements.

d) Foreign currency translation

All investments maintained in United States currency have been translated into Canadian dollars at the exchange rate in effect at March 31, 1992.

e) Pensions

The cost of pension benefits earned by employees covered under the Society's defined benefit pension plan is charged to expense as services are rendered. Differences between the recorded expense and actuarial funding requirements are reflected in the General Fund balance sheet as a pension accrual (see Note 7).

f) Statement of Changes in Financial Position

A statement of changes in financial position has not been provided as this information is evident from the other financial statements.

2. INVESTMENTS

Investments consist of certain guaranteed investments, stocks and bonds and are recorded on the cost basis.

As in the previous year, the Society has continued to invest in certain equity and debt securities. Certain of these investments and related earnings have been aggregated in one pool and are allocated amongst the funds as follows:

	1992	1991
General Fund	.74%	10.12%
Reimbursement Fund	5.26%	5.12%
Professional Liability Claims Fund	94.00%	84.76%
	100.00%	100.00%

3. MORTGAGE PAYABLE

The mortgage on the land and building due to The Great-West Life Assurance Company is secured by the property and assignment of rents. Interest is charged at 12.75% per annum compounded semi-annually. Monthly principal and interest mortgage payments of $10,856 commenced February 1, 1986 and continue for 10 years. The unpaid balance is due and payable January 1, 1996.

4. PROFESSIONAL LIABILITY CLAIMS FUND CONTINGENT LIABILITY

The Professional Liability Claims Fund operates to make available a source of funds for the payment of current and future claims, relating to errors and omissions, against the Society's members. The estimated amount likely to be payable by the Society with respect to claims in process at March 31, 1992 amounts to approximately $3,561,939 (1991 - $2,852,559) and has been reflected in the financial statements at March 31, 1992. The entire fund equity of $1,657,896 remaining is available to pay for future claims relating to errors and omissions.

4. PROFESSIONAL LIABILITY CLAIMS FUND CONTINGENT LIABILITY (continued)

As of July 1, 1988, the Society entered into a Reciprocal Insurance Exchange agreement with the Law Societies of Saskatchewan, Alberta, Nova Scotia, Prince Edward Island, New Brunswick and the Yukon. This new insurance entity known as the Canadian Lawyers Insurance Association (CLIA) is providing professional liability insurance coverage together with the Society's own fund on the following terms:

Limit of Member Entitlement	$1,000,000 per occurrence
The Law Society of Manitoba's deductible	$300,000 per occurrence (of which the first $5,000 of the claim is reimbursable from the member)
Stop Loss Limit	$2,000,000

Any coverage beyond the $1,000,000 is the responsibility of the individual member. If the Society reaches $2,000,000 in total deductible for the underwriting year the excess claims will be covered by the insurer.

In prior years, the Society advanced $96,950 to CLIA to fund their operations. The Society expensed these amounts in the financial statements but continues to be a CLIA subscriber with unallocated equity reported to their benefit of $709,552 at June 30, 1991. This amount has not been reflected in these financial statements.

From April 1, 1986 to June 30, 1988, the Society operated its Professional Liability Claims Fund without the benefit of any insurance coverage from external sources. The Society provided coverage up to a maximum of $250,000 with each member responsible for the first $5,000.

Prior to April 1, 1986, external insurance coverage was maintained which provided a $25,000 deductible clause for each claim paid with the first $5,000 being recoverable from the member.

5. REIMBURSEMENT FUND CONTINGENT LIABILITY

Claims against members of the Society arising from breach of trust and misappropriation of clients' funds are considered by the Benchers and at the discretion of the governing body certain amounts may be paid to the claimants. Any claim payments which may occur will be accounted for in the year payment is approved by the Benchers.

Subsequent to year-end, the Benchers approved the payment of approximately $324,000 related to claims made against a member of the Society.

6. LEGAL DATA RESOURCES (MANITOBA) CORPORATION

Legal Data Resources (Manitoba) Corporation (LDRC) was established under the auspices of The Law Society of Manitoba to serve the members of the legal profession by facilitating access to data bases maintained by various provincial government offices.

LDRC experienced operating losses in its initial years of operations. However, the Society has received payment for all interest accruing on the loan during the year and expects to fully recover the balance owing from LDRC.

7. PENSION PLAN

The Law Society of Manitoba maintains a contributory defined benefit pension plan covering substantially all of its employees. The plan provides pension benefits based on length of service and final average earnings.

Actuarial reports prepared during the year, which were based on projections of employees' compensation levels to the time of retirement, indicate that the present value of the accrued pension benefits and the net assets available to provide for these benefits are as follows at March 31, 1992:

Accrued pension benefits	$ 735,669
Pension fund assets, at market value	$ 963,717